Mr. Brad Botwin Director, Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin,

I am an employee of Northshore Mining Company of Minnesota. This letter is written to voice my support for the United States iron **ore** industry and its position in the Department of **Commerce's** Section 232 investigation to determine **the** national security **impact** of imported iron ore and semi-finished steel.

The Department must consider whether it is prudent for the United States armed forces to count on weapons systems that would depend on steel supplied by other countries. In times of national crisis, how reliable can we expect the supply of this vital naw material to be? To rely on a supply of steel from outside our benders could easily put the national security of the United States at risk.

Iron mining provides a substantial part of the employment in this rural area of Minnesota. If the mines here are forced to close due to high levels of imported steel, there are very alternatives for comparable employment. I would need to relocate my family at considerable expanse. I would be one of thousands in the same unenviable position, with no assurance that another job that matches my skills or earning power is available.

We must maintain a strong national defense and that begins with reliable domestic supplies of vital raw materials such as steel and iron ore. We must keep skilled and experienced people employed in this industry.

I urge the Department of Commerce to take these thoughts into consideration as you determine the impact of imported iron ore and semi-finished steel on U.S. national security.

Respectfully submitted,

Robert Wedle

Brad Botwin Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Mr. Botwin,

I am writing today concerning the Department of Commerce Sec 232 investigation, which was requested by Congressman Obérstar of Minnesota and Congressman Stupak of Michigan. In the last four years, we have seen an increase of imports in semi-finished steel and steel slabs which can be used in place of taconite pellets to make steel without the use of the blast furnace. Our National Security can be in great danger if we continue to use this foreign product.

As employees of Hibbing Taconite, we have seen foreign imports rise to over 40% in the last year, and we have seen a decrease in pellet making. We produce 8.2 million tons of pellets a year but this year we are scheduled to make only 6.8 million tons of pellets due to the high imports of pellets, semi-finished and finished steel into this country.

Can we depend on Japan, South Korea, or any other foreign country to supply us with steel if we go to war with them or their allies? Do we want to use foreign steel to build tanks, or drive shafts for submarines, or any other military defense weapons that we use in war? Do we want to jeopardize our men and women that will go to battle for this country? The United States must have adequate supplies of domestic Iron and Steel in order to maintain our defense.

Respectfully,

as Rederson

Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin,

I am writing today concerning the Department of Commerce Sec 232 investigation, which was requested by Congressman Oberstar of Minnesota and Congressman Stupak of Michigan.

Iron mining provides a substantial part of the employment base in this rural area of Minnesota. If the Hibbing Taconite Mine is forced to close there is very little alternative industry for me to find work in. I will need to relocate my family at considerable expense with no assurance that another job that matches my skills is available. Plus I will one of thousands in the same unenviable position.

The Department must also consider whether it is proper for this country to ask our servicemen and women to defend America with weapons systems dependent on foreign steel. If we cannot remain employed in such a basic industry so fundamental to our defense, how much will be left to defend?

Respectfully,

P.O. Box 654 Hibbing, Mn. 55746

Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin,

This letter is written to voice my opinion for the United Sates iron ore industry and is position in the Department's Section 232 investigation to determine the national security aspect of imported iron ore and semi-finished steel.

I am employed at Hibbing Taconite Company in Hibbing, Minnesota. Over the years I have worked diligently to ensure that my employer is a low cost, efficient supplier to the integrated steel industry. They have invested tens of millions of dollars to upgrade and modernize our facility. Together our sacrifice and investment have made us world-class competitors. Please don't allow this all to go to waste due to unfairly traded and subsidized slab steel.

As a national security issue, a prolonged engagement could find the U.S. dependent on the Japanese, Russians or Chinese for our steel needs. Our iron ore mines and blast furnaces, once shut down, cannot be put into production on a short notice.

Respectfully,

Honald (Ine 4130 5th AVE E. HIBBING, Mn. 55746

Brad Botwin Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Mr. Botwin,

I am writing today concerning the Department of Commerce Sec 232 investigation, which was requested by Congressman Oberstar of Minnesota and Congressman Stupak of Michigan. In the last four years, we have seen an increase of imports in semi-finished steel and steel slabs which can be used in place of taconite pellets to make steel without the use of the blast furnace. Our National Security can be in great danger if we continue to use this foreign product.

As a member of Local 2705 that has 630 steelworkers, we have seen foreign imports rise to over 40% in the last year, and we have seen a decrease in pellet making. We produce 8.2 million tons of pellets a year but this year we are scheduled to make only 6.8 million tons of pellets due to the high imports of pellets, semi-finished and finished steel into this country.

Can we depend on Japan, South Korea, or any other foreign country to supply us with steel if we go to war with them or their allies? Do we want to use foreign steel to build tanks, or drive shafts for submarines, or any other military defense weapons that we use in war? Do we want to jeopardize our men and women that will go to battle for this country? The United States must have adequate supplies of domestic Iron and Steel in order to maintain our defense.

Respectfully,

Dali A Johnson 114 3RD STREET

NASHWALK, MN 55769

Mr. Brad Botwin
Director, Strategic Analysis Division
Bureau of Export Administration
U.S. Department of Commerce
Room 3876
Washington D.C. 20230

Dear Mr. Botwin,

Steel is the basic building block of an industrial society and iron ore and taconite is the fundamental raw material needed to produce steel. I work at Hibbing Taconite and we are the primary suppliers of taconite for the domestic steel industry. We are feeling the effects of imported steel slabs and pellets here on Minnesota's Mesabi Range. Our production has been cut and imports are on a record rise.

Can we count on foreign nations to provide us with ample quantities of iron and steel products in a national emergency? If we cannot remain employed in such a basic industry so fundamental to our defense, how much will be left to defend?

I support the efforts of Congressmen Oberstar of Minnesota and Stupak of Michigan in their request to a full investigation under section 232 of the Trade Expansion Act of 1962. Our industry is critical to the national security of the United States.

Respectfully,

Robert Dodnen 11391 Briski RD Chisholm Ma. 55719

# M. THOMAS MOORE SUITE 1 BOD 1100 SUPERIOR AVENUE CLEVELAND, OHIO 44 114-2589

April 9, 2001

Mr. Brad Borwin
Director, Strategic Analysis Division
Bureau of Export Administration
U. S. Department of Commerce, Room 3876
Washington, D.C. 20230

Dear Mr. Borwin:

Re: National Security Investigation of Imports of Iron Ore and Semi-Finished Steel

The following comments are submitted based on my experience as a chief executive of the largest domestic iron ore company, a chairman of the American Iron Ore Association, and a member of the board of directors of a major domestic steel company,

- 1. As the primary steelmaking ingredient, iron ore will continue to be indispensable to the national security of the United States. While technology will affect the conduct of any future conflicts, steel will still be required in huge quantities for armaments and infrastructure, directly and indirectly.
- 2. Substantial reliance on imports of offshore iron ore and semi-finished steel (slabs) would cause permanent shutdowns of domestic iron ore capacity, place the steel industry at the mercy of offshore suppliers, and seriously erode the iron and steel industry's ability to respond to national security needs in the event of an international crisis. Domestic steelmaking capacity is already insufficient to meet normal demand.
- 3. A substantial portion of domestic steel production must occur through the "integrated" method; i.e., starting with blast furnaces that melt iron ore. The so-called "mini-mill" production of steel by melting scrap in electric furnaces is limited by the available supply and quality of scrap.

- 4. Domestic iron ore is produced with efficient facilities, advanced technology, and productive work forces. Cost and price competition among industry participants has been intense for many years prior to the recent rise in imports of iron ore slabs.
- 5. Imports often come from mines or plants that were built with subsidies and/or do not adhere to fair trade rules or progressive labor and environmental standards. If unchecked, this circumstance will lead to economic disaster for the domestic iron ore industry with serious adverse consequences for national security. Therefore, government policy should foster the preservation of this vital industry.

\* \* \*

Thank you for the apportunity to comment on this critical matter.

Very truly yours,

M. Thomas Morre

M. Thomas Moore Retired Chairman and Chief Executive Officer Cleveland-Cliffs Inc

MTM/drm



April 9, 2001

GLENN CORPORATION
4886 HIGHWAY 61
ST. PAUL, MINNESOTA
55110-2874
USA

Mr. Brad Botwin Director of Strategic Analysis Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin,

Glenn Lillmars
President

I am writing to you in support of the U.S. Iron Ore Industry.

Glenn Corporation is a Minnesota based company and is a major supplier of chemicals to the iron ore industry of Michigan and Minnesota. The **iron** ore industry is a substantial **part** of our business. The loss of business with this industry would have a dramatic impact on our company and lead to a reduction of personal.

Aside from the impact on our business, the loss of our domestic iron ore industry could have a dramatic impact on United States National Security.

Having been a soldier, now retired, and a student of National Defense Strategy, I can't imagine that the United States would not protect this vital link to the production of ships, tanks and munitions for war, and as important, the reconstruction of the national infrastructure should our security be compromised.

I urge you to consider these points in your investigations and deliberations'and further urge the United States Government to support and provide for a strong and independent domestic **iron** ore **industry** 

Three copies of written comments will follow via U.S. Mail.

Local: 651.221.2406

Toll free: 888.453.6267

Facsimile: 651.221.1926

Web site: www.glenncorp.com



### **Charter Township of Chocolay**

5010 US 41 SOUTH • MARQUETTE, MICHIGAN 49855 PHONE (906) 249-1448 • FAX (906) 249-1313 • E-MAIL: choctwp@up.net

April 9, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington D. C. 20230

Dear Mr. Botwin:

I am sending you my comments as Supervisor of Chocolay Township, Marquette County, Michigan. Between the Tilden and Empire Mine, the mining industry employees around 2000 people in Marquette County. The loss of these 2000 jobs, plus the numerous spin-off jobs would be devastating to Marquette County and Michigan. The unemployment rate for our area would sky rocket and good, hard-working Americans would have to leave their homes and a way of life that they cherish. Why does our Federal Government allow foreign countries to dump their steel products here?

If this dumping is not stopped, the mining industry in America will cease to exist. The devastation on Michigan, Marquette County and Chocolay Township will be unrepairable. The taxes paid by the mining companies to the Michigan school system, country and local governments will not be replaced. As people are forced to leave, the property tax base in the entire County will be eroded. Governments, schools, colleges, and businesses will all suffer, thus the economic meltdown will continue.

On a national level, it scares me to imagine our Country totally dependent on foreign steel imports. Our national security would be at risk, should this dumping continue. If the mines of Michigan and Minnesota are forced to close, we will be forced to rely on imports to meet our steel needs. Foreign steel companies will hold us hostage to their demands and prices. I urge you to not only consider the United States defense requirements for steel, but also consider the devastation on the economy of both Michigan and Minnesota. PLEASE STOP THE DUMPING.

Sincerely,

Ivan Fende

Chocolay Township Supervisor

37 Hemlock Cr. BabbiH, MN 55706 March 31, 2001

Mr. Brad Botwin

Director Strategic Analysis Division

Bureau of Export Administration

U.S. Dept. of Commerce

Room 3676

Washington DC 20230

Dear M. Botwer,

I support the 4.3. Vrox ore industry and
its position in the Dept. 4 Commerce's Section
232 investigation to determine the national
security impact of importise iron & semi-finishe
steel.

Please Consider the impact of thousands mo people laid of from Jobs - What would it do to see sconomy & tayes.

My luige and I look work at Northshore Mining Co. in northern MN. Car area is non Mining. I have already been through two taconito Company sheet downs & don't want of do it again. Those who haven't yound yobs Dence the sheetdown by LTV Mining Co. don't

have much opportunity to keep thui homes a find a comparable yob in this area. I Was Yorteenate. Northphore Mining is a world class competetor von ore supplier. Our product is so national Decirity Could be Compromised if we are forced to be dependent upon steel from writical tre 4.5. To you want to take that risk? Please look Javorably on U.S. as a supplier y steel in this investigation Sincerely, Steer Jasnessen

Mr. Brad Botwin Director, Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin,

This letter is written to voice my support for the United States iron ore industry and its position in the Department of Commerce's Section 232 investigation to determine the national security impact of imported iron ore and semi-finished steel.

I would like to start by telling you a little about myself and my family. In the early eighties at the age of 21, after 3 years of employment with U.S. Steel, I was laid off. At that time I did not have my own home or my own family to tie me down. I left Ely,MN., my home of 21 years: my parents, 3 sisters and 4 brothers to go back to school. I then moved to the Twin Cities where I lived for 10 years. In that time I got married and had a beautiful daughter. As she grew and started off to school my wife and I worried. We would recieve notes home from the school of disturbing and violent things happening in and around her school. As she was approaching high school age my wife and I became more concerned about her safety and longed to bring her up in a small town, Ely, where we had both been raised. The opportunity to move back finally presented itself and we gratefully took it.

I have now been employed by Northshore Mining Company in Minnesota for the past 6 years. Our daughter is thriving, we still worry of course, about her grades, car accidents and such, but her getting knifed, shot or beaten seldom cross our minds. I do not want nor need to start our lives over again, we are happy, healthy and surrounded by our families. I do not want to shatter that, especially if the cause is due to high levels of unfairly imported semi-finished steel, a cause that can be averted. If we; the people, the consumers, are out of work who is going to be doing the purchasing that keeps our economy going?

Over the years my fellow employees and I have worked diligently to ensure that our company is a low-cost, environmentally safe, efficient supplier of iron ore to the integrated steel industry. Our company has invested millions of dollars to upgrade and modernize our facilities. Our sacrifice and investment has made us world class competitors. We are urging the Department of Commerce not to allow this effort to be wasted due to the unfairly traded and subsidized semi-finished steel.

These issues are fundamental to our economy, our defense and our national interests. These issues also directly effect my families security; the security of our home, our health, our happiness, our strong family ties and our pride as Americans.

Thank you for your time and attention to these important issues.

Respectfully,

Dornal J Monut

Dan, Anne & Meghan Moravitz

A proud, American tax paying family

2576 Grant McMahan Blvd.

Ely, MN 5573 1

Mike Jaros State Representative

District 7B St. Louis County



Minnesota House of Representatives

COMMITTEES: JOBS & ECONOMIC DEVELOPMENT FINANCE: JOBS & ECONOMIC DEVELOPMENT POLICY; CIVIL LAW

4-14-2007

3108 Minnesota Avenue, Duluth, Minnesota 55802 291 State Office Building, 100 Constitution AveseSta Raylos Mingg 60146551771298 1-800-657-3550

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Bread Botwin Devector, Strategic analysis Dr. Bureau of Export administration, 4 S. Dept. of Commune Room 3876 Washington & C 20230

4835 Verm Inl Billiant, apr 2, 7001

my Boad Batum:

I am working to you concerning the US Deportment of Commerce Section 232 investigation on the imports of won one and Semi-fenshed Steel in the U.S. I was an employee of Dickonds mather + co at the Host & ales, mm Taconte Plant from 1953 to 19880 During that Time I seem & retired of how experienced the following 1. The number of steel workers on the from Ronge has been reduced by 50 yo of more

2. The Tocomte Plant (LTV steel) I worked at closed in the year 2001 with 1400 worker laid off.

3. Schools are consultating.

4. Schools one shoring Superintendents.

5. Papulation in most towns on the Ivon fore reduced.

6. The younger people on moving to the lain Colies area of injunesata.

The following is a perfect example of emports of steel I was shopping at our Jacol Hardware Store in Vergence, mn. I noticed Fur Bearing trape for sale, and being a formal trapper of was examining them when of noticed they were made in Korea. (a perfect example

> Sincerely, John & Bask 4835 Vormition Tral Selbert Sun 55 741



April 3, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration US Department of Commerce Room 3876 Washington, D.C. 20230

Dear Mr. Botwin:

As members of the Minnesota State Legislature who represent the Iron Range region of Northeastern Minnesota, we are writing in support of the United States iron ore industry and the Department of Commerce Section 232 investigation to determine if iron ore produced in this country is vital to our national security.

There are more than 4,000 employees in the taconite plants and approximately 14, 000 additional people employed in supporting companies. As a result, the industry maintains an annual contribution to the Minnesota economy of an estimated \$1.3 billion. This benefit is spread across more than 200 communities throughout the entire state.

With the closing of LTV Mining Company in Hoyt Lakes, Minnesota this year, and the Chapter 11 bankruptcy of LTV Steel, we are witnessing the hardship that our communities feel from the loss of jobs when a domestic iron ore/taconite plant shuts down. Before the LTV closing, there were 5,700 jobs in the plants, and at least 15,000 additional industry related jobs.

In 2000, the economic benefit to Minnesota was \$1.5 billion. The loss of LTV mining in this year will result in a \$200 million economic loss to our state annually.

The iron ore industry is clearly critical to our national security. Iron ore is the fundamental raw material needed to produce steel. Our mines, along with those in Michigan, have been the primary supplier of iron ore for the domestic steel industry for some 100 years. If the industry is afforded some relief from the foreign import pressures, we will be able to continue to provide a reliable supply of iron ore for another 100 years and longer.

Without iron mining in Minnesota, we would experience devastating unemployment in not only the mines and the supplier businesses, but also all the community related support jobs. In



addition, there would be a significant loss of government revenue, and the skilled workforce would be required to either move out of the region or somehow remain in a region where there are no employment opportunities.

Every ton of semi-finished steel slab used in domestic steel production displaces 1.3 tons of taconite pellets. Over the last few years, this increased use of imported semi-finished slabs has placed severe economic pressures on our remaining Minnesota taconite producers. In addition to the LTV shutdown this year, the taconite companies have taken the following actions. National Steel Pellet Company has laid off both hourly and salary workers. Hibbing Taconite Company has reduced production, undertaken a six-week shutdown, and reduced its number of salaried workers. US Steel idled a pellet line earlier this year to reduce inventories. North Shore Mining Company has also reduced its 2001 production goals and Ispat Inland Mining has reduced its workforce through attrition.

Finally, we want to point out the additional national security problem that would be created if our taconite plants closed. We can only imagine the vulnerability of our domestic steel producers if the only raw material available were to be imported product. Taconite require beneficiation. Our low-grade ore must be improved and made into taconite pellets. The investment in capital equipment and worker training during the last decade alone has been more than \$1 billion. If we no longer produce taconite, it would be difficult and extremely costly to restart a plant. Add to this the difficulty of training new workers whom might not be available in the region any longer and the new equipment needs, and it could literally take years to restart an idled taconite plant.

This situation, along with the state economic impacts, clearly shows that iron ore produced in this country is vital to our national security.

Thank you for your consideration,

Sincerely,

Thomas Bakk, Chair

Iron Range Delegation

David Tomassoni State Senator

Solberg Loren

State Representative

Doug Johnson State Senator

Irv Anderson

State Representative

Tonu Serrtich

State Representative

Bob Lessard

State Senator

Tom Rukavina

State Representative



# Saint Louis County

County Auditor • 100 N. 5th Ave. W., Room 214, Duluth, MN 55802-1293, (218) 726-2380

Gordon D. McFaul St. Louis County Auditor

April 3, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce, Room 3876 Washington, D. C. 20230

Dear Mr. Botwin:

Enclosed please find certified copy of St. Louis County Board Resolution No. 205, which was adopted by the Board of County Commissioners at their meeting on March 27, 2001.

We believe the Resolution is self-explanatory. However, if you have questions please contact Paul Tynjala, Clerk of the County Board at (218) 726-2380.

Sincerely,

GORDON D. McFAUL, COUNTY AUDITOR

BY

Paul L. Tynjala, Clerk of the County Board

Enc.

# Resolution of the

### **Board** of **County Commissioners**

St. Louis County, Minnesota

Adopted on: March 27, 2001

Resolution No. 205

Offered by Commissioner: Sweeney

RESOLUTION IN SUPPORT OF ENCOURAGING PUBLIC COMMENT CONCERNING THE U.S. DEPARTMENT OF COMMERCE, SECTION 232 INVESTIGATION - AN INVESTIGATION OF FOREIGN IMPORTS OF IRON ORE OR SEMI-FINISHED STEEL PRODUCTS AND THEIR EFFECT OF NATIONAL SECURITY

WHEREAS, every ton of semi-finished steel displaces 1.3 tons of iron ore in basic steel production and with U.S. imports of semi-finished steel at all time highs, and their prices at all time lows; and

WHEREAS, domestic steel producers have turned to dumped imports of steel slab, which has devastated the taconite industry, and thousands of working families; and

WHEREAS, other nations which are dumping their below cost semi-finished steel are not competing with the U.S. on a level playing field because they do not have such basic environmental, labor, safety, health, and other standards and laws to abide by; and

WHEREAS, Northern Minnesota and the Upper Peninsula of Michigan represent the sole sources of iron or and taconite in the U.S.; and

WHEREAS, in the event of an international conflict, the capacity to make steel for strategic weapons like tanks, battleships, and submarines is vital to our nations protection; and

WHEREAS, in the event of a major international conflict, it would be rather difficult to import foreign semi-finished steel into our country, or for that matter, attempt to suddenly rampup a decimated domestic taconite industry; and

WHEREAS, the taconite industry still represents nearly 50 percent of our Gross Regional Product; and

WHEREAS, Congressman Oberstar was successful in getting the Executive Branch of our Federal Government to initiate this first-of-a-kind investigation of imported, semi-finished "dumped" steel and its impact on our national security;

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board of Commissioners supports the U.S. Commerce Department's 232 Investigation and urges all citizens in our county to submit written comments concerning this matter by April 9th in triplicate to:

Brad Botwin
Director, Strategic Analysis Division
Bureau of Export Administration
U.S. Department of Commerce, Room 3876
Washington, D.C. 20230

Gen Binging



### Page 2 of 2 Resolution No. 205

BE IT FURTHER BE RESOLVED, that individuals attempt to focus their written comments on telling the story about the negative impact that dumped, semi-finished steel is having on our communities, including: declining enrollment in our schools and the threat this presents on the quality of education for our children; declining tax revenues for our local governments and the threat this presents on vital services such as public safety; and finally, declining sales in our service, supply and main street retail establishments and the threat that this presents to families, their household incomes and to the entire social, cultural and economic fabric of our region.

Commissioner Sweeney moved the adoption of the Resolution and it was declared adopted upon the following vote: Yeas - Commissioners Fink, Fay, Forsman, Sweeney, Plesha, Raukar, and Chair Kron - 7
Nays - None

### STATE OF MINNESOTA

Office of County Auditor, ss. County of St. Louis

I, GORDON D. MCFAUL, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 20th day of March, A.D. 2001, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 20th day of March, A.D., 2001

GORDON D. MCFAUL, COUNTY AUDITOR

Deputy Auditor/Clerk of County Board

### **Town of Fall Lake**

P.O. Box 599 Ely, Minnesota 55731

April 2, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration US Department of Commerce Room 3876 Washington, DC 20239

Dear Mr. Botwin:

On behalf of the Board of Supervisors of Fall Lake Township and its citizenry we are appealing to you to be heard as part of the US Department of Commerce's Section 232 Investigation. Imports on iron ore and semi-finished steel has proven to be devastating to all of Northeastern Minnesota. If the two thousand mining jobs are lost and the proposed four thousand spin-off jobs are also lost there will be a great reduction of property values in the future as the people that held these jobs will be forced to leave the area seeking employment elsewhere.

We plead with the federal officials conducting this investigation to become aware of the enormous consequences of allowing unfairly traded semi-finished steel to decimate our iron ore industry. Grandfathers, Fathers, Mothers, Brothers, Sisters, Aunts, Uncles, etc. have worked hard for many many years to supply the raw material for America's industrial foundation. Our government must enforce the trade regulations that allow for fair competition.

Thank you for your consideration on this matter.

Sincerely,

Marlene Skube, Clerk

for Board of Supervisors

Town of Fall Lake

145 County Road FO Champion, MI 49814

April 4, 2001

Mr. Brad Botwin Director, Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce, Room 3876 Washington DC 20230

### Dear Mr. Botwin:

I am writing to you concerning the usage of iron ore mines across the nation. I believe that the mines nation-wide should continue to be in operation. If they are closed down, only our nation will hurt. The parts of the U.S. that won't feel effect right away will notice it eventually. There are several areas in which we could damage our country.

For one, the economy of the Upper Peninsula of Michigan would be greatly damaged. As many people know, the mines are a main source of employment for our population. With all these jobs being lost, it is almost certain that the population will decrease enormously. This would be because many people would leave to find work. The decrease in population would result in less purchasing of items throughout the Upper Peninsula, raising prices everywhere.

Another aspect to consider is the dangers of war. If there was to be another war, surely our enemies would not want to trade with us. The shut-down mines would be difficult to get running again. I know this for a fact because my father works at the Empire Mine, and I know even with the mine's continual operation, there are still many things to do to keep it up and running. Imagine if the mines had been shut down for many years, it would it take a long time to get them running again.

Also, perhaps once other countries realized what we had done, they would raise their prices. It would be the same trap OPEC has us in right now. And once again, this would damage our economic conditions. Perhaps other countries' goals are to get us to close our mines down, and that is why their prices are so low right now.

In my opinion, the mines should continue to operate to ensure safety to our national status.

Sincerely,

Erin M. Wiljanen

Frin M. Wolginson

29 15 Stoneville Road Ishpeming, MI 49849

April 4, 2001

Mr. Brad Botwin Director, Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce, Room 3876 Washington, DC 20230

Dear Mr. Botwin:

I am writing out of deep concern for our countries and my general area's steel industry. I live in Ishpeming and the whole town basically depends on the production of the local steel mills. With our country importing steel from other countries, our local mines, the Empire and the Tilden, are being forced to make dramatic cutbacks in the number of employees. This is hurting their families and our schools where as many of them have to move away. If we lose a significant number of students, many of the teachers may end up losing their jobs. Many people in my community, myself included, think that we our nations workers should be placed before any other nations.

There is also another serious threat to consider. Trouble is brewing in China, and during times of war we have to be careful of where we get our resources. Alliances between countries always change, but domestic steel will always be here. This is one of the main reasons I am writing this letter to you today.

As this investigation goes on by the U.S. Department of Commerce of Section 232, our country's iron ore workers are being hurt by foreign steel. This is causing people in my community to get their jobs stripped away from them. Please help take action in support of the production of domestic iron ore. Thank you.

Spince a. Marriett

Spencer A. Marietti

240 South Lilac Ishpeming, MI 49849

April 5, 2001

Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U. S. Department of Commence Room 3876 Washington, DC 20230

Dear Mr. Brad Botwin

There is a great deal of concern dealing with importing iron ore and semi-finished steel. Our country has overlooked the fact that they are wasting money and time importing when we have our own resources here.

Many citizens of Michigan and Minnesota will certainly feel the effect of mines closing and people being laid off. The mines bring business, jobs, and help our towns and cities survive. If the mines are forced to stop mining and have no more business, it will cause jobs and home losses to those that have worked so hard to get where they are.

What about education? How will this affect our school districts and students? Parents will be searching for new jobs and our population will decrease. Are the students going to be able to get the proper education needed to survive in a technological world? With mining being such and important factor in the survival of a growing economy, how will the students get the maximum education if they have to worry about mines closing and parents losing their jobs and houses?

In conclusion, I strongly suggest that our government and mining industries get their priorities straight and concern them selves with the resources our country provides and save them and their citizens worry, time and the biggest and foremost important, money.

Sincerely.

Tennifer Maki

Gampi Mali

129 Cooper Lake Road Ishpeming MI 49849 April **5**, **200**1

Mr. Brad Botwin
Director, Strategic Analysis Division
Bureau of Export Administration
U.S. Department of Commerce, Room 3876
Washington DC 20230

Dear Mr. Botwin:

I am writing this letter to tell you of my concern for the future of the nation's economy. My fear does not stem from a declining stock market or major tax cuts, **from** a far greater danger; steel dumping. If this process continues, many communities in Michigan's Upper Peninsula and Northern Minnesota will fall apart with America's steel industry. What do a few tiny backwoods communities have to do with the future of the nation, you say? This letter was written to answer that question.

You are probably familiar with this already, but the whole idea behind steel dumping is nations such as those in Latin America, and economic competitors such as Russia, China, and Japan sell unfinished steel at cut rate prices to the U.S. They are selling this steel as a loss, but **these** nations hope that America will import this steel instead of making our own and become dependent on them for our steel industry. Once America is unable to produce its own steel, the other nations will most likely jack up the prices to achieve a maximum profit.

As Americans, we are already all **to-familiar** with the control that the Arabs in the Middle East have over the production of petroleum. Just think of how bad it would be if we had to depend on other nations for iron and steel as well. The steel dumping nations clearly don't have America's bests interests in mind. The Russians have shown that **they** still can't be trusted **after** the Robert Hanssen incident, and the Chinese aren't exactly cooperating with the United States **with** this emergency landing of an American airplane. If one of these crises escalates to war, do you expect any one of these foreign nations to export steel to the U.S. if we are fighting **them?** 

Speaking of war, do you want to have an American military that is built from a foundation of cheap foreign imports? After all, rifles, tanks, jets, battleships, and just about every other war machine is made mainly of steel. This certainly is not in the best interest of national security.

In conclusion, I would like to re-state the fact **that** steel dumping is making the nation of the United States economically dependent on foreign countries. For a country that was formed by a revolution against foreign rule, all American citizens should find the words "United States" and "dependent" in the same sentence insulting. I urge you as **the** Director of the Strategic Analysis Division of the Bureau of Export Administration, and as an American citizen, to consider this letter in regards to the USDOC section 232 investigation, which will determine if the resources of iron and steel are necessary for our national security. The **future** of America depends on it.

Sincerely,

Erik DeLongchamp

rih De Longehamp

1890 Deer Lake Road Ishpeming, MI 49849

April 4, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin:

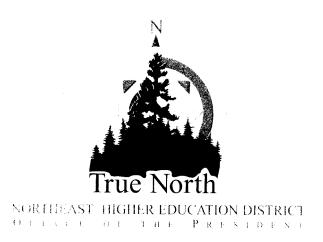
I am writing because I am concerned about America's situation in the steel industry. The livelihood of Ishpeming, my hometown, depends on the domestic steel mills here. They are in danger because the U.S. is buying foreign steel rather than domestic. People are losing their jobs here because of the drop in income due to foreign steel. Shouldn't our own nation's workers be placed ahead of any other nation's? I think so, and so do many others in my community.

It is also a matter of national security. In times of war and conflict-which are likely to be here in the near future-it is more secure to rely on resources which we have at home. It is impossible to rely on foreign steel during war. Alliances of countries change, but our own resources are always with us, so we should use them.

There is currently an investigation going on by the U.S. Department of Commerce, Section 232, regarding whether iron ore is vital to national security. Rest assured that it is. Please do the right thing, and act in support of domestic iron ore. Thank you.

Sincerely,

Matthew M. Vissering



April 2, 2001

Brian Botwin, Director
Bureau of Export Administration
U.S. Department of Commerce — Room 3876
Washington, DC 20230

**Dear Director Botwin:** 

I am writing to support the U.S. Department of Commerce's Section 232 investigation, as requested by Congressmen James Oberstar and Bat-t Stupack, to determine the effects of imported iron ore and semi-finished steel on national security.

I represent the Northeast Higher Education District and its member colleges in northeast Minnesota. We serve 5000 students, cover an area of 13,000 square miles, have approximately 600 employees at 5 colleges in 6 cities across our region. We strive to make northeast Minnesota a viable place to live, learn and work. A viable domestic iron ore industry is critical to both Minnesota and the nation. Viable mines with trained workers will be lost, if we allow this industry to die in our country.

On a national basis, the current U.S. trade policy of allowing cheap imports of semi-finished steel such as slab steel have weakened the domestic iron and steel industry, causing the United States to have an inadequate supply of these products to maintain our defense infrastructure and readiness.

A viable domestic iron ore industry is also critical to the livelihood of northeast Minnesota, whose primary industry is our natural resource industries such as taconite production. Currently, cheap imports of semi-finished steel products have had a devastating impact on the northeast Minnesota economy, resulting in a direct loss of 5000 mining jobs, and double the job loss in related services. Additional effects include a large decrease in the revenues of local governments and schools, and loss of a highly trained workforce to other areas. We cannot re-build those facilities in less than two years, if we are put in a position to need this industry for a major military effort.

I appreciate your serious consideration of these comments and strongly encourage your actions to change the U.S. policy regarding steel dumping in our country.

Sincerely.

JUL South Ch / ld Dr. Joe Sertich

President

Mr. Brad Botwin Director, Strategic Analysis Division Bureau of Export Administration U.S. Department of Commerce Room 3876 Washington, DC 20230

Mr. Botwin:

I am writing to express my support for the United States iron ore industry and it's position in the Commerce Department's Section 232 investigation to determine the national security aspect of imported iron ore and semi finished steel.

Being a native of northern Minnesota's "Iron Range", I've seen how the iron ore industry affects the overall prosperity of the region. 'Through the bad times as well as the good ones, hard working men and women have formed their livelihood around the mining industry.

I'm currently in my second year of studies in the maintenance mechanics/millwright field, and with graduation just around the corner, the reality of finding a career in said field is crucial. The closing of the LTV plant in Hoyt Lakes, Minnesota has greatly affected the local job market.

In hopes of coming up with a solution to this national threat, I'm asking that the choice to buy foreign made steel, not be so easily embraced. The thousands of men and women currently employed in mining and the next generation of miners, like myself, are depending on the integrity of this investigation. Attached with this letter is a list of people like myself, who have chosen a career in iron ore mining.

Respectfully.

John Lelesnikar IV 921 Adams Avenue Eveleth, MN. 55734

David MacInnis	Daile Ma
Leroy Olson	Lator Class
Nikolai Koivisto	Will of Birth
Mark Sauter	Wante Stanter.
Lars Okstad	Jais Orgrad
Bill Creighton	Wm-R. aughtin
Jeremy Kohler	Gerenny Kohler
Rick Anderson	Rick ANDERSON
Brent Erickson	Con Endor
Jim Maki	Jonfalm
Jason Jones	Paren Jones
Kevin Perkovich	Kern Parhand
Brad Salo	Brud Dalo
Mark Krsiean	Must Desieur
Todd Thompson	Title Thompson
Brandon Tapio	Brandon Tapes
Jeff Plackner	Jeff Clackner
Robb Ritter	Großyn Billy
Chris Larson	Christ area
Rich Weight	Par W
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Alan Krueth	ala E Grult
Sam Softich	lam lotte b
Gustave Schroeder	Mode
Josh Olson	1 for 11
Tim Rasmussen	Tim Resunsse
Randy Ketola	Bandy Kla
Russell Hemphill Jr.	Russell Henshill TR
Shawn Martinson	I have Mark
Nick Thiel	Which A. Then
Josh Cole	Josh Cole
Justin Vredenburg	husting freel en lug
Garrett Rikala	racult la
John Zobitz	John zweig
Bob Champa	Bob Change
Ted Nowak	Led Howald
Duane Brown	Lucie Trous
Chris Rychart_	Elline Pytania
Matt Goodell	All And And
Jav Schwaael	Jag Johnson J
Lonnie M. Ramsdell	Sonnie gri Kamadel
Dave Starich	Dare Stauth
Mark Flannigan	Merch Warriage
Paul Orso	Sully
Eric Luomanen	Eric Sumanus
Adam Elj	adam Es.
RYAN LABINE	Lyan Jabant
JUSTIN NAGLER	Justin Nagler



### SoHo Artists Range Center, Inc.

AS A SINGLE, WORKING MOTHER AND CONTRIBUTING MEMBER TO THE ECONOMY OF THE MINNESOTA IRON RANGE, I AM DEEPLY DISTRESSED BY THE LOSS OF JOBS IN THE MINING FIELD THAT WE ARE CURRENTLY EXPERIENCING, JOBS ON THE RANGE THAT HAVE THE POTENTIAL FOR SUSTAINING HEALTHY FAMILY LIFE ARE DWINDLING, DUE TO POLITICAL TRENDS AFFECTING IRON ORE POLICIES.

ALL OF US, IN TURN, ARE AFFECTED WHEN HARD-WORKING MINERS MUST FACE UNEMPLOYMENT OR LEAVE THE AREA IN SEARCH OF WORK. AT THE PERSONAL LEVEL, MY SON-IN-LAW WORKS AT ONE OF THE LOCAL MINES. THE LOSS OF HIS JOB WOULD CAUSE REPERCUSSIONS IMPACTING OUR ENTIRE FAMILY, AND THE POSSIBILITY OF HIS HAVING TO RELOCATE WOULD BE THE REMOVAL OF A FUNCTIONING AND VALUED COMMUNITY MEMBER. FOR THE IRON RANGE TO SURVIVE, THE MINERS MUST HAVE THE SUPPORT OF ALL POLICY MAKERS INVOLVED.

SINCERELY,

Cora Culbert

CORA CULBERT
ART PROGRAM DIRECTOR
RANGE CENTER, INC.
1001 BTH AVE NW.
CHISHOLM, MN. 55719
218 - 254 - 7752
30hoart@ rangecenter. com



**BOX 1248 HOOVER ROAD** VIRGINIA, MN 55792 218/741-9011 800-752-4304 FAX 218-741-9465

> Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U. S. Department of Commerce Room 3876 Washington, DC 20230

April 6, 2001



Dear Mr. Botwin:

I am writing you this letter to express my support for the Department of Commerce Section 232 investigation to determine if iron ore production in this country is vital to National Security.

The company that I work for, Road Machinery & Supplies Co., has branch offices that service the mining industry in both Minnesota and the U.P. of Michigan. Both of these offices are highly focused on supporting the iron mining industry. If the iron ore industry is shut down in these two areas our company is going to be affected immensely. There just are not enough other industries in these two rural areas that could replace this lost business.

The iron ore mines in Minnesota and Michigan have provided virtually all of the raw ore our Country has used for the last 100 years. There is plenty of ore left in both states that will provide an on going supply of raw material for our steel mills to work with. If our Taconite Plants in Minnesota and Michigan go out of business it could take years to retrain new employees and restart these plants.

If we do have a national crisis we will not have the luxury of that time.

I respectfully ask the Department of Commerce to find the U.S. Iron Ore Industry essential to National Security and give it the protection it deserves and has earned.

Thank you very much.

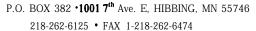
Respectfully yours,

& SUPPLIES CO.

Vice President Northern Operations

JR/cb Enclosure

Corporate Headquarters SAVAGE, MN





April 6, 2001

Mr. Brad Botwin, Director Strategic Analysis Division Bureau of Export Administration U.S Department of Commerce Room 3876 Washington, D.C. 20230

Dear Mr. Botwin:

I am writing this letter in support of the United States iron ore industry and the Department of Commerce Section 232 investigation of imports of iron ore and semi-finished steel.

SIM Supply has been a vendor to the iron ore industry in Minnesota and most recently in Michigan. The iron ore mining industry is vital to our company and our communities. Our livelihood not only depends on this industry, but it is the driving force behind our existence in Northern Minnesota and Michigan. It supports all facets within our communities such as: schools, businesses, government, and charitable organizations. Without the mining industry, we would virtually become a displaced band of people and would be forced to relocate or worse yet, remain unemployed and depend on governmental support which is highly stressed at this time and will continue to proceed in this manner.

The iron ore industry in Minnesota and Michigan has supported this country through two World Wars, The Korean War, The Viet Nam War, and several other conflicts. If our national defense has to depend on imports of foreign steel, we will surely lose our ability to defend our global interests. The closure of a pellet plant cannot restart upon demand. It takes a considerable amount of time to begin operations and skilled employees to foresee these actions. If our skilled workers relocate, it would increase the amount of time to restart operations. I don't want to have to depend on new trainees to try and learn the necessary operational skills of a pellet plant during a time of crisis.

The imports of foreign steel have a direct impact on our national security and our ability to defend ourselves.

I respectfully ask you to investigate this matter and ask that the government recognize our most vital industry in the defense of this nation. The sense of urgency in this matter goes without question. Thank you for your consideration.

Sincerely,

Ron Smith

Roll Smith

President SIM Supply, Inc.

### **DEPARTMENT OF COMMERCE**

### **Bureau of Export Administration**

## Initiation of National Security Investigation of Imports of Iron Ore and Semi-Finished Steel

AGENCY: Bureau of Export Administration, Office of Strategic Industries and Economic Security, Strategic Analysis Division, Department of Commerce.

ACTION: Notice of initiation of national security investigation and request for public comments.

summary: This notice is to advise the public that an investigation has been initiated under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). to determine the effects on the national security of imports of iron ore and semi-finished steel. Interested parties are invited to submit written comments, opinions, data, information, or advice relative to the investigation to the Bureau of Export Administration, U.S. Department of Commerce.

**DATES:** Comments must be received by April 9. 2001.

-ADDRESSES: Send three copies of written comments to Brad Botwin, Director, Strategic Analysis Division, Bureau of Export Administration, U.S. Department of Commerce, Room 3876, Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: Brad Botwin, Director, Strategic Analysis Division, Bureau of Export Administration, U.S. Department of Commerce, (202) 482-4060, bbotwin@bxa.doc.gov or Michael Vaccaro, Trade and Industry Analyst, Bureau of Export Administration, U.S. Department of Commerce, (202) 482-8232, mvaccaro@bxa.doc.gov. For more information about the section 232 program, including the regulations and the text of previous investigations, see www.doc-bxa.bmpcoe.org under "Programs."

SUPPLEMENTARY INFORMATION:

### **Background**

On February 1,200 1, the Department of Commerce initiated an investigation under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), to determine the effects on the national security of imports of iron ore and semi-finished steel. The findings and recommendations of the investigation are to be reported by the Secretary of Commerce to the President not later than October 29. 200 1.

The iron ore and semi-finished steel products to be investigated include:

1. Iron Ore:

- -Briquettes
- -Pellets
- -Sinter
  - 2. Semi-finished Steel
- --Ingots
- -Billets
- -Blooms
- -Slab

This investigation is being undertaken in accordance with part 705 of the National Security Industrial Base Regulations (15 ČFR parts 700 to 709) (the "regulations"). Interested parties are invited to submit written comments, opinions, data, information, or advice relevant to this investigation to the Office of Strategic Industries & Economic Security, U.S. Department of Commerce, no later than April 9. 2001. The Department is particularly interested in comments and information directed to the criteria listed in § 705.4 of the regulations as they affect national security, including the following: (a) Quantity of the article in question or other circumstances related to the importation of the articles subject to the investigation: (b) Domestic production and productive capacity needed for those articles to meet protected national defense requirements-(c) Existing and anticipated availability of human resources, products, raw materials, production equipment, and facilities to produce these items; (d) Growth requirements of domestic industries to meet national defense requirements and/or requirements to assure such growth: (e) The impact of foreign competition on the economic welfare of the domestic industry: and (f) The displacement of any domestic products causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects.

Those wishing to comment should submit three copies of all materials. Material that is national security classified information or business confidential information will be exempted from public disclosure as provided for by \$705.6 of the regulations. Anyone submitting business confidential information should clearly identify the business confidential portion of the submission, then file a statement justifying nondisclosure and reference to the specific legal authority claimed, and provide a non-confidential submission which can be placed in the public file. Communications from agencies of the United States Government will not be nade available for public inspection.

If public hearings are held in support of this investigation, a separate **Federal Register** notice will be published.

The Bureau of Export Administration does not maintain a separate public inspection facility. Requesters should first view the Bureau's webpage, which can be found at http://www.bxa.doc.gov (see FOIA heading). If requesters cannot access the website, they may call 202-482-2 165 for assistance. The records related to this assessment are made accessible in accordance with the regulations published in part 4 of title 15 of the Code of Federal Regulations (15 CFR 4.1 et seq.).

Dated: February 1, 200 1.

Matthew Borman,

*Deputy Assistant Secretary for Export* Administration.

[FR **Doc.** 01-3059 Filed Z-5-01: 8:45 am]

BILLING CODE 3510-JT-P

### **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[A-570-851]

Certain Preserved Mushrooms From the People's Republic of China: Postponement of Preliminary Results of New Shipper Review

AGENCY: Import Administration,
International Trade Administration,
United States Department of Commerce.
ACTION: Notice of extension of the time
limit for the preliminary results in the
new shipper review of the antidumping
duty order on certain preserved
mushrooms from the People's Republic
of China.

**SUMMARY:** The United States Department of Commerce ("the Department") is extending the time limit for the preliminary results of a new shipper review of the antidumping duty order on certain preserved mushrooms from the People's Republic of China ("PRC"). This review covers the period February 1.2000 through July 3 1, 2000.

**EFFECTIVE DATE:** February 6, 2001.

FOR FURTHER INFORMATION CONTACT: David J. Goldberger or Rebecca Trainor, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-4136 or (202) 482-4007, respectively.

### **Postponement of Preliminary Results of Administrative Review**

On October 2. 2000, the Department initiated a new shipper review (65 FR

### Attachment

### Α

U. S. - FLAG CARGO CARRI AGE - 2000 NAVI GATI ON SEASON (February **7, 2000 -** February **5, 2001)** 

		(net tons)			
Commodity	2000	1999	1998	1997	1996
Iron Ore• Direct Shipments		53,182,571	56,988,970	56,801,321	53,845,682
Iron Ore - Transshipments		5,903,843	5,811,764	6,581,364	6,732,069
Total - Iron Ore	58,519,597	59,086,414	62,800,734	63,382,685	60,577,751
Coal- Western	12,878,253	13,471,049	13,515,846	13,895,709	12,901,399
Coal-Eastern	8,230,010	8,498,015	8,421,201	9,494,464	8,055,411
Total - Coal	21,108,263	21,969,064	21,937,047	23,390,173	20,956,810
Li mestone, Gypsum	27,933,432	28,392,094	31,618,104	29,820,120	26,962,915
Cement	4,125,542	4,373,812	4,286,049	4,204,028	3,801,224
Sal t	838, 017	1,309,894	1,312,157	1,002,934	1,149,700
Sand	427, 070	249, 238	234, 300	272, 218	232, 010
Grain	351, 398	346, 814	352, 083	669, 741	536, 683
Totals - All Commodities	113,303,319	115,727,330	122,540,474	122,741,899	114,217,093



401 E. 21st Street ★ Hibbing, Minnesota 55746

April 4, 2001

Bureau of Export Administration Attn: Brad Botwin U.S. Department of Commerce Room 3876 Washington, DC 20230

RE:

Section 232

Dear Mr. Botwin.

The Department of Commerce Section 232 is one of the most important government initiatives regarding the survival of our iron ore mining industry, and subsequently, the survival of Minnesota's Iron Range.

The City of Hibbing lies in the heart of that region and is home to over 17,000 people. We provide quality services at the lowestpossible cost and as a result offer a quality of life which is very attractive to our citizens and to others who would like to be residents. As local government, we are cooperating and collaborating with neighboring communities and County and State agencies to diversify our economy.

However, it is becoming increasingly difficult to compete against imports of iron ore and steel slabs into the United States. Enclosed is a recent memo from our City Clerk to Council members. Hopefully, this will help convince decision makers of the impact their decisions have on the Iron Range of Northern Minnesota.

Thank you for the opportunity.

rudence L. Lalich

Sincerely,

Prudence L. Lolich, Mayor

City of Hibbing

**Enclosures** 

CC.' Congressman James Oberstar



April 5, 2001

Bureau of Export Administration Attn: Mr. Brad Botwin U.S Department of Commerce Room 3876 Washington, DC 20230

Dear Mr. Botwin.

On behalf of the Hibbing Economic Development Authority, we are offering support of the initiative by Congressman James Oberstar of Minnesota's 8<sup>th</sup> District, requesting the U.S. Department of Commerce's Bureau of Export Administration, initiate an investigation (under section 232 of the Trade Expansion Act of 1962) into the imports of iron ore and steel slabs into the United States.

We need to ensure that those conducting this investigation are aware of the enormous consequences of allowing unfairly traded semi-finished steel to decimate our iron ore industry. The Iron range of Northeastern Minnesota has strived without reserve for over 150 years to supply these raw materials essential to America's industrial foundation.

We encourage site visits throughout the Iron Range of Northeastern Minnesota and will be in attendance at your public hearing.

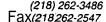
Sincerely,

David Clustau, President

Hibbing Economic Development Authority

John W. Tourville, Executive Director Hibbing Economic Development Authority

cc: Congressman James Oberstar





401 **E. 21st** Street ★ Hibbing, Minnesota 55746

TO: Mayor and City Council Members

FROM: Patrick L. Garrity

City Clerk

**RE:** 200 1 Revenue Shortfall Due to Decline in Mining Activities

In the recent months, I have discussed the fact that the City of Hibbing will be experiencing a decline in revenues due to the loss of mining taxes as the result of mining company declining activities, specifically LTV's closure. I would like to take the opportunity to address that issue in written form.

As the attached flow charts prepared by the Minnesota Department of Revenue indicate, the overall reduction in taconite production tax on an area-wide basis as the result of LTV's closure is \$13.3 million, comparing 2000 to 200 1. As the production tax is distributed using a 3-year average tonnage, the impact in future years will be greater, but the amount can not be determined at this time. It is possible that future reductions could be \$200,000 per year, or worse, with declining production for other mining companies and possible reduction in the mining tax itself due to pending legislation, or depending on where the companies mine.

With regard to the City of Hibbing, the decrease in taconite municipal aid from 2000 to 200 1 is a known immediate reduction in revenue of approximately \$140,000. See attached tables prepared by the Mineral Tax Division of the Minnesota Department of Revenue representing the distribution of the production tax by County and City.

The City Administrator, Finance Director and I have been working together to compile recommendations to offset the immediate known revenue shortfall of \$140,000. Meetings are ongoing with staff to identify budget items that can be reduced with the least impact on services. Areas under immediate consideration are as follows:

- Temporary/part-time positions Review rate structure for temporary/part-time positions throughout City departments for reduction in costs as well as consistent rates throughout various departments.
- 2) Departmental budget reductions in operations and capital.
- 3) Use remaining 200 1 Mining Effects Tax of \$40,868 for application to Joint Law Enforcement Center or Joint Public Works Maintenance Facility.
- 4) Reduction in staff through attrition in order to avoid future layoffs.

As I mentioned, meetings are ongoing with staff to work together to provide a recommendation that has the least negative impact on City service. Also, we are currently undergoing our year end audit, which will provide us with solid fund balance figures at December 3 1, 2000. Therefore, more detailed information will be provided at a future date to be recommended at a Finance Committee meeting in early April.

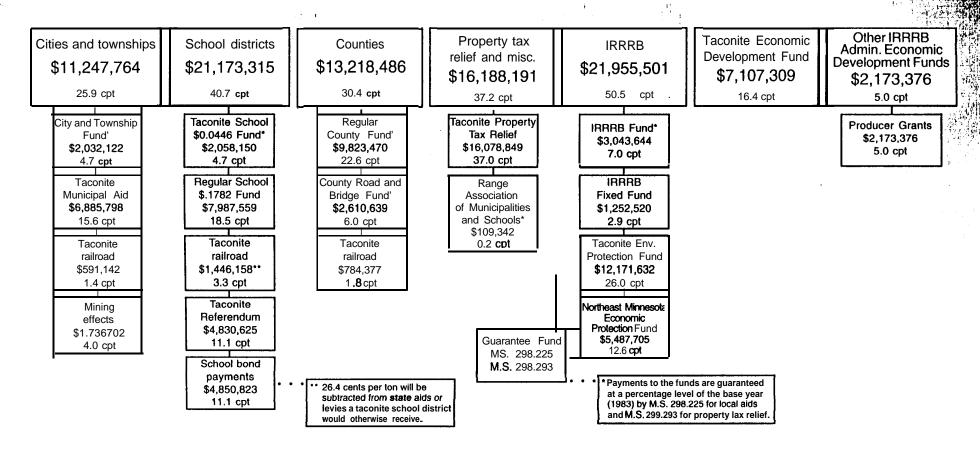
Again, the \$140,000 revenue shortfall is only the immediate known shortfall at this point. Other significant reductions may be in order in the future pending closure of this legislative session. For example, the Governor's Big Plan proposes to reduce LGA and HACA to cities. The estimated loss in City aid to the City of Hibbing is \$655,000. Furthermore, the extension of sales tax on services would cost the City of Hibbing an estimated \$67,000.

Obviously, many of these issues will need to be addressed by the legislation, and we will not know the results until the end of May. This will give you an idea of the "big picture" as we know it today.

# 2000 Distribution of Reconside Floody with Res

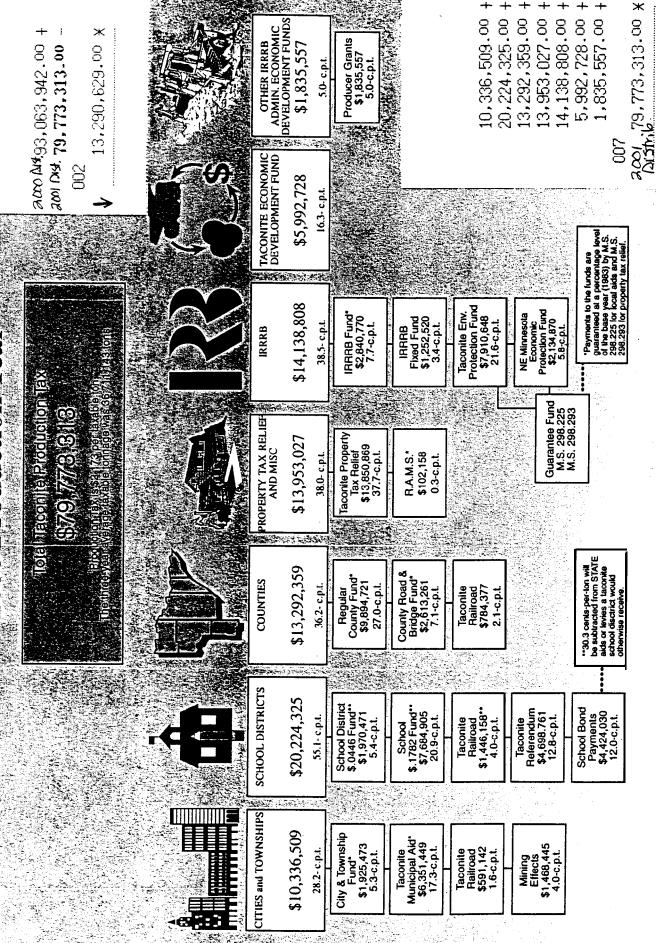
# Total Taconite Production Tax \$93,063,942

Production tax is \$2.141 per taxable ton. Thethree-yearaveragetaxabletonnagewas**\$43,467,511**tons.



# 2001 Distribution of Taconite Production Tax

# 2000 Production Year



### DISTRIBUTION OF THE 1999 PRODUCTION TAX TO THE COUNTIES & IRRRB by COMPANY

### TACONITE DISTRIBUTIONS TO CITIES & TOWNSHIPS

payable	02/25/00	02/25/00	02/25/00	09/15/00 Taconite	
••.	A.S cent	A.O cont	Taconite	unicipal Aid	TOTAL
NAME	Mining & Conc M	Ining EDUCES	Part Cala	disciple 744	
COOK COUNTY	240.000		\$47,700	\$0	\$58,359
Schroeder Township	\$10,6 <del>59</del>		<b>347,100</b>	•	
CROW WING COUNTY			-	163,021	163,021
Crosby	<del></del>	<b>-</b>	-	42,594	42,594
Ironion Riverton	-		<b>-</b> ,	6.514	8,514
Trommaid	_	-		4,252	4,252 20,241
trondale Township			. —	20,241	2,609
Rabbit Lake Township		***	-	2,609	3,609
Wolford Township				3,609	\$242.840
Subtotal	\$0			32-2,0,-1	
		•			
ITASCA COUNTY			_	81,592	81,592
Bovey		_	_	40,369	40,369
Calumet			_	0	0
Cohesset			_	108,507	108,607
Coleraine	_	88.052	_	128,369	225,877
Keewatin	31,456	90,042	_	62,910	62,910
Marble		· 60,210		117,163	192,281
Nashwauk	14,908	صب <u>ح</u> ات	_	39,506	39,506
Taconite		-		47,470	47,470
Grand Rapida Township	18,986		_	33,158	52,144
Greenway Township	10,200		-	13,597	13,597
Iron Range Township	5,220	29.395	-	2,820	38,435
Lone Pine Township	81,408	50,268	_	37,490	169,166
Nashwauk Township	\$152,970	3207,325	\$0	\$714 A51	\$1.071.954
Subtotal	<b>410010</b> 10				
LAKE COUNTY					
Silver Bay	105,351		152,706	242,888	500,945
Beaver Bay Township	3, 469		12,565.	<u>0</u>	16,034
Crystal Bay Township	3. 403	—	166,0		6,95112
Silver Creek Township		,	20,612	_	19,943
Stony River Township			19,943	\$242.888	\$564,485
Subtotal	\$108,820	\$0	\$212,777	3242,000	<b>3000,000</b>
ST. LOUIS COUNTY		85.094		173,136	269,624
Aurora	11, <b>394</b> _82,275_	155 209	166.767	175,705	579,956
Babbit	-82,2/5-	27,268		114,795	142,063
Biwabik	$\mathbf{Z}$	31.272		108,379	400.004
Buh!	-			528,948	139,651,11
Chisholm		62,463_		303,964	303,964
Ely	60,615	104,594	_	355,852	531,061
Evoleth	45 588	48,121	-	214,182	307,891 .
Gilbert	469,969	216,265		1,521,374 .	2,207,508
Hibbling	259,600	100,835	152,153	291,147	803,735
Hoyt Lakes	9,855	8.649	_	70,132	88,636
Kinney	4,815	1,583		10,396	16,796
Leonidas		2,953	_	15,961	18,914
McKnley	561,415	118,940	_	388,038	1,068,393
Mountain Iron	33,540	325,227	-	835,460	1,194,227
Virginia	-	10,362	-	57,181	67,543
Balkan Township	_	3,740	11,745	. ~	15,485
Bassett Township	0	22,968	_	38,136	59,102
Biwabik Township	•			16,818	16,818
Breitung Township		27.943		10,010	27,943
Clinion Township	•	دحر, ن	<del>-</del> -	a	0
Eagle's Nest Township	2,788	53,617		40,939	97,344
Fayal Township Great Scott Township	•	53,617 14,832	_	25,727	56,750
McDavitt Township	16,191	17,036		31,816	140,417,71
McDavid I dwiiship Wassa Township	108,601'	13 <i>,2</i> 71	_	. —	
waasa township	24,636			349,742	447,435
Winte Fownship	68,383			15,189	105,088
Subtotal	1,759,665		330,665	5,689,019	9,310,126
TOTAL .	es 032 122		<b>eso1 142</b>	S6 885,798 \$1	1.247.784

### DISTRIBUTION OF THE 2000 PRODUCTION TAX TO THE COUNTIES & IRRRB by COMPANY

### TACONITE DISTRIBUTIONS TO CITIES & TOWNSHIPS

مرزه لينده

payable		02/27/01	02/27/01 Taconite	09/17/01	
NAME	4.5 cent Mining & Conc	4.0 cent Mining Effects	Railroad	Taconite Municipal Aid	TOTA
COOK COUNTY	Willing & Conc	Milling Endere	Ramoad	Wullicipal Alu	IOIA
Schroeder Township	\$7,614	***	\$47,700	so	\$55,314
CROW WING COUNTY					
Crosby				146,562	146,562
Ironton	•••	•••		39,813	39,813
Riverton				5,024	5,024
Tronvnald		***		3,797	3,797
Irondak Townshfp				17.391	17,391
Rabbi Lake Township				2,511	2,511
Wolford Township Subtotal	\$0			3.491 \$218,589	3,491
Subtotal	<b>\$</b> 0	SO.	so	\$210,003	\$218,589
TASCA COUNTY					
Bovey	000			. 76,240	76240
Calumet		•••		35.942	35,942
Cohasset				0	0
Coknine Keewatin	05.000	60 005		99,030	99,030
Marble	25.380	68,825		120,072 55.168	214,277
Nashwauk	13,315	61,191		106,385	55,168 180,891
Taconite	13,313	01,101		33,885	33,885
Grand Rapids Townshio				44,009	44,009
Greenway Township	16,955			28,398	45,353
Iron Range Township	•	•	***	12.160	12.160
Lone Pins Township	5,555	30,345		2,518	38,418
Nashwauk Township	91.425	52.244		37.081	180,750
Subtotal	\$152,630	\$212,605	so	\$650,888	81.016.123
AKECOUNTY					
Silver Bay	99,582		152.705	221,296	473,584
Beaver Bay Township	3,194		12.565	0	15,759
Crystal Bay Township			6,951		6,951
Silver Creek Township			20,612		20,612
Stony River Township Subtotal	\$102,776	 so	19,943 \$212,777	S221.296	19,943 \$536,849
Oubtotal	\$102,770	30	DE 12,777	3221.230	9000,040
ST. LOUIS COUNTY	0.000			450.057	400.045
Aurora Babbitt	8,888	0 155 401	166,767	159,357	168,245
Biwabik	78,277	155,401 28,720	100,707	228,477 108,914	626,922 137,634
Buhi		31,152		99,671	130,823
Chisholm	***	63,670		479,817	543,487
Ely				266,651	266,651
Eveleth	57,313	96,078		334.142	487,533
Gilbert	47,223	50,553		198.749	296.525
Hibbing	476,889	222.333		1386,093	2,084,985
Hoyt Lakes	184,704	0	152,153	263,607	600,464
Kinney	9,834	8,331		67,626	85.791
Leonidas	4,434	1,445		9,282	15,161
McKinley		3,108		14.192	17.300
Mountain Iron	560,125	120.836		355.939	1,036,900
Virginia Balkan Township	30,887	322,739	***	765,829	1,119,455
Bassett Township		10.641 3.757	11,745~	49,832	80,473
Biwabik Township	0	22,558	11,740	32,634	15.502 55,192
Breitunp Township	•••			11,861	11,861
Clinton Township	•••	25.618		11,001	25,618
Eagle's Nest Township	•••			0	0
Fayal Township	2,567	49,742	•••	40367	92,676
Great Scott Township	16,155	14,846		22,985	53,986
McDavitt Township	98.515	•••	•••	27,878	126,393
Waasa Township	•••	0	•••		0
White Township	17,461	0		316.867	334,328
WuoriTownship	70,834	22,394	••	14,310	107,538
Subtotal	1,662,106	1,253,592	330,665	5,255,080	8501,443
			\$591,142	\$6,345,853	\$10,328,318

Councilor Dan Marich offered the following foregoing Resolution and moved its adoption:

### **RESOLUTION #00-4-2**

### RESOLUTION OF SUPPORT FOR CONGRESSMAN OBERSTAR'S REQUEST FOR INVESTIGATION OF STEEL SLAB IMPORTS

WHEREAS, that the City Council of the City of Hibbing, St. Louis County, State of Minnesota, is well aware of the significant impact the iron ore industry has on Northeastern Minnesota; and

**WHEREAS**, the City Council of the City of Hibbing is well aware of the tremendous impact the closing of LTV Steel's plant in Hoyt Lakes, Minnesota, has and will continue to have on the area; and

**WHEREAS**, the City Council of the City of Hibbing is further aware that all of the taconite plants on the Iron Range are struggling to compete against imports of iron ore and steel slabs into the United States; and

**WHEREAS**, the City Council of the City of Hibbing is aware that Congressman James Oberstar of the Eighth District of Minnesota has made a formal request to the U.S. Department of Commerce's Bureau of Export Administration to initiate an investigation under Section 232 of the Trade Expansion Act of 1962 into the imports of iron ore and steel slabs into the United States.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Hibbing applauds and supports Congressman James Oberstar's request to the U.S. Department of Commerce to initiate a full investigation under Section 232 of the Trade Expansion Act of 1962 into the imports of iron ore and steel slabs into the United States, and

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Council of the City of Hibbing advises the U.S. Department of Commerce that the City of Hibbing will provide any and all information it has at its disposal to the Department of Commerce as to the economic impact the taconite industry has on Northeastern Minnesota.

Councilor John Peterson duly supported the above foregoing resolution, and, upon being put to a vote, CARRIED as follows:

FOR ADOPTION: Mayor Pru Lolich

Clerk Pat Garrity
Councilor Patty Shafer
Councilor Dan Marich
Councilor John Peterson
Councilor Rick Wolff
Councilor Mike Marion

AGAINST: None ABSENT: None

Adopted and passed this 2<sup>nd</sup> day of April 200 1.

Prudence L. Lolich, Mayor

ATTEST:

Patrick L. Garrity, Clerk-Treasurer

### **CERTIFICATION**

I hereby certify that the above foregoing resolution was adopted and passed by the Hibbing City Council at its regular meeting held on Monday, April 2,200 1.

Sandy Marincel
Council Secretary